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Civil Works Program Development aka The Making of the President's Budget Request

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The Making of the President's Budget Request

- The Players
- The Cycle
- The Process
- The Future
- You Can Help



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Civil Works Budget

Supports the President's Overall Budget Priorities

- Winning the war on terrorism
- Securing the Homeland
- Continue Long Term Economic Growth

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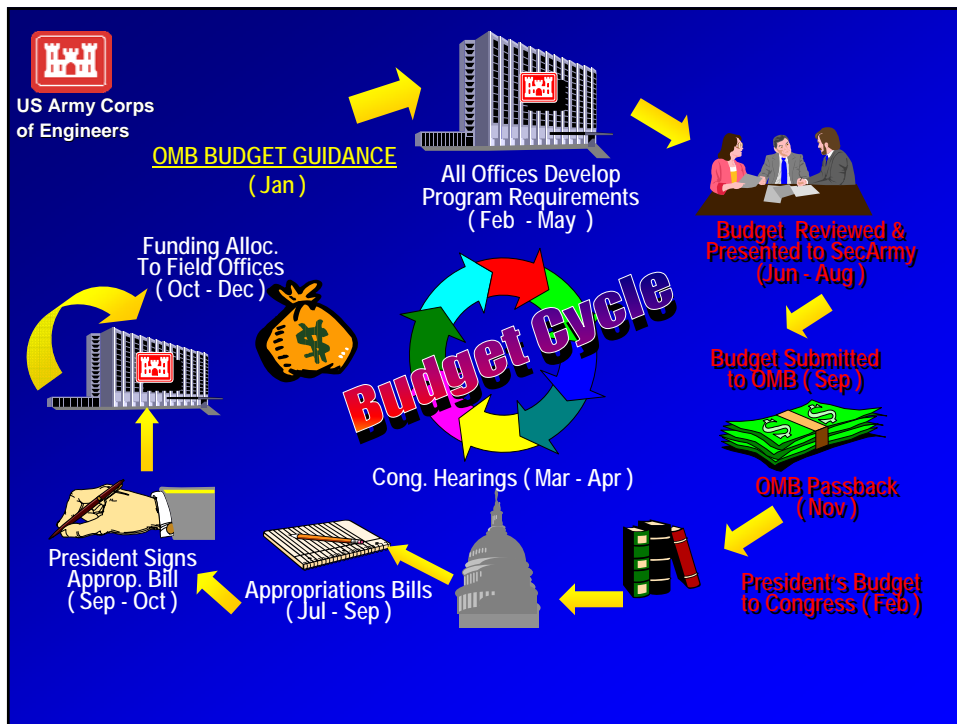



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The Making of the President's Budget Request

- The Players – Executive Branch
 - Project / Program Managers / PDTs
 - District Commander
 - Division Commander
 - Business Line Managers
 - Appropriation Managers
 - Director of Civil Works
 - Chief of Engineers
 - Assistant Secretary of the Army (Civil Works) (ASA(CW))
 - Office of Management and Budget (OMB)

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The Making of the President's Budget Request

- **The Process**
 - Evolving and iterative
 - From appropriation account ceilings to Performance Based Budgeting
 - Links the President's Budget to program performance
 - Program developed around Business Lines

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- **The Business Lines**
 - Navigation
 - Flood & Storm Damage Reduction
 - Hydropower
 - Recreation
 - Regulatory
 - Water Supply
 - Environmental
 - Emergency Management

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- **The Process (cont)**
 - Policies and priorities provided by Congress, The President (OMB) & ASA(CW)
 - District / Division propose program
 - **Business Line Managers**
 - Evaluate against performance metrics
 - Rank competing investments in each business program
 - Demonstrate improved outcomes from added increments
 - Iterative discussion with Division / District

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- **Performance Measures / Ranking Criteria**
 - Risk to Human Safety
 - Annual Net Benefits
 - Benefit Cost Ratio
 - Remaining Benefit Remaining Cost
 - Value & Quantity of Areas Restored
 - Application of Watershed Principles
 - Endangered Species Act & compliance needs
 - Tonnage movement

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- **Priorities**
 - High Risk Dam Safety
 - High Performing, Completing
 - Very High Performing
 - Remaining Benefits Remaining Cost Ratio > 4
 - National Priorities
 - High Performing
 - Remaining Benefits Remaining Cost Ratio = 3-4
 - Cost Effective Restoration of National or Regional Significant Species

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- **The Process (cont)**
 - **Coordination w/ ASA(CW)**
 - Iterative discussion w/ District/ Division
 - **Submittal of Army's proposed budget to OMB**
 - **OMB holds "hearings"**
 - Business Line Managers explain and defend their program
 - **"Passback" – Administration's policy and priority adjustments**

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- **The Process (cont)**
 - **Army Reclama to OMB**
 - Iterative discussion w/ District/ Division
 - **OMB preparation of President's Budget**

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Civil Works FY 06 Budget History (\$ Millions)

FISCAL YEAR 2006 FUNDING HISTORY

		Pres.			
	Field Cap	Budget	House	Senate	*Conf
Investigations	320	95	100	180	162
Construction	3,540	1,637	1,900	2,087	2,348
Operations & Maint.	3,275	1,979	2,000	2,100	1,969
Regulatory	270	160	160	150	158
Mississippi R & Tribs.	532	270	290	433	396
General Expenses	172	162	152	165	152
Flood & Coast Emerg.		70	0	43	0
FUSRAP	171	140	140	140	139
Office of ASA (CW)	<u>6</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>4</u>
Total Approp.	8,286	4,513	4,746	5,298	<u>5,328</u>

* FY06 Conf reflects the 1% across the board DECREASE of 54.0 M that was mandated by a follow-on OMNIBUS bill after the E&W appropriation bill but none of the increases from any Emergency Supplemental Appropriations.

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Civil Works FY 07 Budget History (\$ Millions)

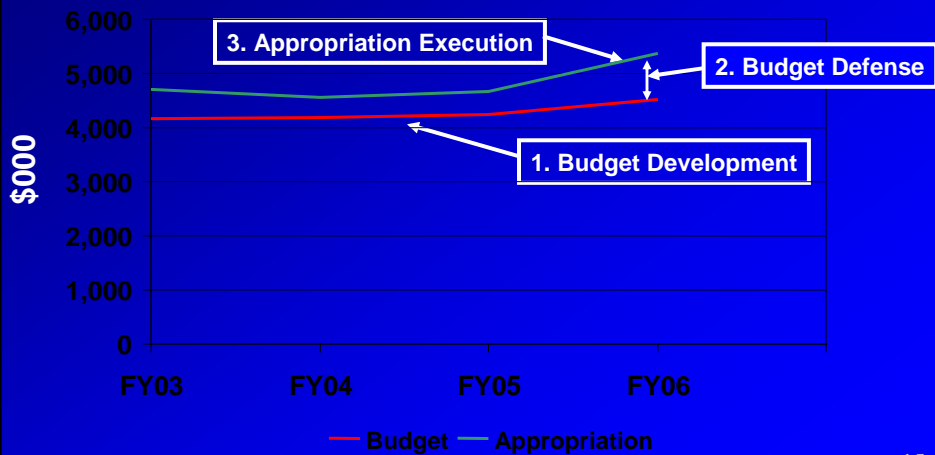
	Pres. Budget	House	Senate
Investigations	94	128	169
Construction	1,555	1,891	2,042
Operations & Maint.	2,258	2,195	2,030
Regulatory	173	173	168
Mississippi R & Tribs.	278	291	451
General Expenses	164	142	164
Flood & Coast Emerg.	81	32	32
FUSRAP	130	130	140
Office of ASA (CW)	<u>0</u>	<u>2</u>	<u>0</u>
Total Approp.	4,733	4,984	5,196

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The Program Cycle



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The Future

- **Positive emphasis on what can be done**
- **Continued improvement in**
 - **FYDP (5-year Development Plan)**
 - Blueprint for subsequent budgets
 - **Performance Metrics**
 - Integrated with Strategic Plan
 - By business lines
 - **Systems approach**

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You Can Help

- **Recommend a Realistic, Doable Program**
- **Expressed Capabilities - Insure that You have:**
 - Legal Authority
 - Local Cooperation -- ready and financially able
 - Can Deliver On Time as Promised
- **Accurate Description of Maintenance Backlog**
 - Avoid frivolous studies
 - Avoid “nice to have” items

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You Can Help

- **Timely and Accurate Fact Sheets for Congressional Appropriations Deliberations**
- **Keep CECW-IP in the loop on any fiscal matters involving HQUSACE, ASA(CW), OMB, or Congressional Committees**

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You Can Help

- **Execute**
 - Consistent with Program Formulation
 - In Accordance with Congressional Intent
 - Aggressively Manage with surpluses to highest priority maintenance backlog
 - If surplus funds can't be used in current FY, offer them for revocation early for more effective utilization elsewhere

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You Can Help

- **Manage within Region resources**
 - HQUSACE has no pot of gold to help in short falls
 - Cover shortfalls with slipped earnings on other projects
 - MSCs can move funds from District to District
- **Promptly report weather-related emergency repair costs**
 - HQs works with OMB and Committees for emergency supplemental appropriations
 - If funds received, use as reported -- not a windfall

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You Can Help

- **Involve your *Project* Constituency**
 - Be proactive in communications -- don't wait until you hear from them
 - Keep them informed on project events & activities
 - Provide guidance and accurate data (project conditions, cost estimates, schedules, etc.) for sponsors to communicate their needs to Congressional delegations

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You Can Help

- **Involve your *Congressional* Constituency**
 - Get to know congressional field office staff
 - Involve them in Project Activities
 - Keep them posted on contract awards & completions
 - Provide timely and accurate data for them to respond to Constituents' expressed concerns
 - Be careful -- avoid any appearance of lobbying

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You Can Help

- **Involve Your Vertical PDT**
 - Early Alert to:
 - Slippages
 - Projected funding shortfalls
 - Projected funding surpluses
 - Legal impediments